GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:662
ANSWERED ON:28.07.2006
PERFORMANCE OF PUBLIC SECTOR INSURANCE COMPANIES
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Will the Minister of FINANCE be pleased to state:

(a) whether the performance of Public Insurance Companies is not at par with that of private sector insurance companies, during the last three years;

(b) if so, the details thereof;

(c) whether the public sector insurance companies have prepared any plan to provide the same facilities to their customers as are provided by private sector companies or to face the challenges posed by the competitive environment that has been created as a result of the facilities being provided by the private insurance companies; and

(d) if so,the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) &, (b): As the growth recorded by private insurers is to be seen in relation to the lower bases due to their recent entry into this business, it may not be appropriate to compare the performance of insurance companies in public and private sector. However, the growth in business of insurance companies in public and private sector from the year 2002-03 to 2004-05 is as under:

(Annual Growth in percentage)

Insurance Companies	2004-05	2003-04	2002-03
Public Sector (Non-Life)	4.77	6.22	14.36
Private Sector (Non-Life)	55.36	67.14	289.29
LIC of India	18	18	10
Private Sector (Life)	-	148	179	310

(c) & (d) Public Sector insurance companies are upgrading the Information Technology, interlinking offices for online services, introducing innovative products and tying up with Banks/Financial Institutions/ Motor Vehicle manufacturers to provide better services to customers.